

**A STUDY OF THE RELATIONSHIP BETWEEN INDICATORS AND
PUBLIC DONATION INTENTION IN PENANG: A PERSPECTIVE OF
PLANNED BEHAVIOR THEORY WITH INCLUSION OF SOME
COGNITIVE FACTORS**

By

HO ENG LING

**Research report in partial fulfillment of the requirements for the
Degree of Master of Business Administration**

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UNIVERSITI
SAINS
MALAYSIA

GRADUATE SCHOOL OF BUSINESS (GSB)
UNIVERSITI SAINS MALAYSIA

DECLARATION

I hereby declare that the project is based on my original work except for quotations and citation which have been duly acknowledged. I also declare that it has not been previously or concurrently submitted for any other degree at USM or any other institutions.

(Signature):

Name: HO ENG LING

Date: 13 JUNE 2012

DEDICATION

.....to the underprivileged

ACKNOWLEDGEMENT

"Yesterday's the past,

Tomorrow's the future,

but today is a gift...

That's why it's called the present"

~Bil Keane

This thesis would not be possible, indeed if not for following persons I'm deeply indebted to,

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ABSTRAK (MALAY)

Kekekalan untuk terus beroperasi bagi organisasi amal telah dicabar oleh peningkatan permintaan bagi perkhidmatan mereka serta sokongan kerajaan yang berkurangan, dan keadaan ini telah membawa kepada peningkatan keperluan untuk dermaan kebajikan (Sargeant, Lee, dan Jay, 2002). Senario di Malaysia adalah konsisten di mana suatu pemerhatian yang dibuat melalui laman web amal tempatan, www.hati.org.my menunjukkan bahawa badan amal tercabar untuk mendapatkan derma yang besar untuk menampung kos operasi yang tinggi (contohnya, Silver Jubilee Home for the Aged di Pulau Pinang memerlukan wang sebanyak RM100K setiap bulan). Ini telah menyebabkan pertubuhan amal terpaksa sama ada melancarkan kempen pungutan derma mereka sendiri yang kurang berkesan kerana kekurangan pengetahuan mengumpul derma atau mendapatkan perkhidmatan daripada profesional. Namun begitu, mendapatkan bantuan daripada organisasi pungutan derma profesional dianggap sebagai tidak sihat oleh Datuk Lee Kah Choon, Setiausaha Parlimen Kementerian Kesihatan kerana yuran yang dikenakan oleh para profesional terlalu tinggi sehingga 50-70% daripada jumlah sumbangan yang dikutip (Foong dan Ng, 2007). Oleh itu, kajian ini dijalankan untuk meningkatkan pemahaman ke atas niat menderma orang awam di Pulau Pinang. Kajian ini selaras dengan pemerhatian Reis (1998) bahawa individu adalah penyumbang utama kepada kebajikan dimana sebagai contoh, 75% daripada jumlah sumbangan tahun 1997 di Amerika Syarikat datang daripada sumbangan orang ramai. Theory of Planned Behavior (TOPB) yang dipelopori oleh Azjen (1991) digunakan sebagai asas untuk kajian ini kerana ia didapati jarang digunakan dalam bidang kajian pendermaan wang walaupun TOPB merupakan sebuah model yang agak luas diterima pakai dalam kajian niat dan kelakuan (Bartolini, 2005; van derLinden, 2011). Rangka kerja teori kajian ini menambah empat lagi factor kognitif di atas model TOPB iaitu Amanah, Kesedaran Masalah, egoisme dan Hubungan berdasarkan kajian sastera yang menyeluruh ke atas lebih daripada 500 kajian yang lain yang berkaitan dengan penyelidikan amal oleh Bekkers dan Wiepking (2007). Pertimbangan untuk menambah faktor kognitif adalah sejajar dengan Social Cognitive Theory (Bandura, 1986) yang mempercayai bahawa kognitif adalah penting dalam mempengaruhi tingkah laku. Malah, Cheung dan Chan (2000) menyatakan bahawa kognitif sosial adalah berguna untuk menerangkan tingkah laku derma.

Selepas penapisan ke atas jawapan yang tidak lengkap dalam soal selidik, populasi sampel yang dihasilkan mengandungi 477 responden, memenuhi cadangan Gay et al. (2005)

bahawa sampel lebih daripada 400 diperlukan untuk saiz populasi yang lebih besar daripada 5000. Analisis regresi berganda menunjukkan bahawa petunjuk yang signifikan ($p < 0.01$) untuk mempengaruhi niat derma adalah sikap, persepsi kawalan tingkah laku, amanah, kesedaran masalah dan hubungan. Norma subjektif dan egoisme didapati tidak signifikan kepada niat derma. Implikasi teori dan keputusan turut dibincangkan.

ABSTRACT

The continuous survival of charity organizations has been challenged with increasing demand for their services as well as diminishing government supports, leading to ever-increasing need for charity giving (Sargeant, Lee, and Jay, 2002). Scenario in Malaysia is similar, where an assessment made through local charity website, www.hati.org.my shows charitable organizations are challenged to raise significant donation to cover high demand for their services (e.g. Silver Jubilee Home for the Aged requiring RM100K every month in Penang). This has led to charity organizations either launching their own crude donation drive due to lack of fundraising knowledge or soliciting services from professionals. Nevertheless, associations with professional fundraisers are regarded as unhealthy by Datuk Lee Kah Choon, parliamentary secretary of Health Ministry as fees charged by these professionals are heavily exorbitant which can be as high as 50-70% of total donation raised (Foong and Ng, 2007). This study is therefore carried out to provide better understanding into public donation intention in Penang, in-line with Reis (1998) observation that individuals are the prime contributors to charity giving (e.g. 75% of total 1997 donation in United States came from public donations). Ajzen (1991)'s Theory of Planned Behavior (TOPB) is applied as cornerstone of this study as it was found to be rarely used to in area of monetary donation despite being a widely adopted intention-behavior model (Bartolini, 2005; van der Linden, 2011). Present theoretical framework also extends TOPB model to include four more cognitive factors namely Trust, Problem Awareness, Egoism and Relationship leveraging on 8 key donation drivers identified through extensive literature review of over 500 charity researches by Bekkers and Wiepking (2007). This extended framework's consideration of cognitive factors is in-line with Social Cognitive Theory (Bandura, 1986)'s believe that cognition is significant in influencing behavior. In fact, Cheung and Chan (2000) further noted that social cognitive perspective is useful to describe donation behavior.

After filtering incomplete responses to the questionnaire, the resulting population sample contains 477 respondents, meeting Gay et al. (2005)'s suggestion of over 400 samples required for population size larger than 5000. Multiple regression analysis shows that indicators that are significant ($p < 0.01$) to influence donation intention are attitude, perceived behavioral control, trust, problem awareness and relationship. Subjective norm and egoism are found to be insignificant to donation intention. Theoretical and applied implications of the results are discussed.

Chapter 1

INTRODUCTION

The Hand That Gives, Is Greater Than The Hand That Receives

~ Prophet Muhammad, S.A.W.

Compassion can be put into practice if one recognizes the fact that every human being is a member of humanity and the human family regardless of differences in religion, culture, color and creed. Deep down there is no difference.

~ Dalai Lama

1.1 Introduction

This chapter provides overview on research outline of the study. It begins with background of the study followed by discussion on identified problem statement that leads to research objectives and research question. Definitions of key terms are included to improve readability. This chapter is wrapped up with sharing on significance of the study as well as preview on remaining chapters of the thesis.

1.2 Background

Charity is generally regarded as synonymous to giving and it includes not only common types of financial donation but includes a spectrum of methods in which people exercise their goodwill to the underprivileged community. In United Kingdom, charity in its legal definition comprises four principal components: trusts for the relief of poverty; trusts for the advancement of education; trusts for the advancement of religion; and trusts for other purposes beneficial to the community as discussed by Saher Shaikh and Carolan McLarney (2005). Charity takes several forms of terminologies in different parts of the world. While the word charity and altruism are commonly used on the United Kingdom, the general term used in United States is philanthropy (Wright, 2002).

A number of us may think that charity is a luxury and thus only participated by people whom have additional money or resources after resolving their needs like education, food, accommodation, healthcare, etc. This assumption would lead to notion that the poor has nothing to offer and therefore not in capacity to participate in charity giving. Nevertheless, this is not the case as even the poor can participate in charity giving through making small donations or other means of contribution including time, skills and products. Non-monetary contributions too are very crucial in regards to the voluntary charity sector similar to the importance of monetary donations.

Study on charity is interestingly a relatively new area of research. Friedman and McGarvie (2002) discussed that the phenomenon of charity or philanthropy was not regarded as a field for systematic scholarly endeavor until the last quarter of the 20th century. They stated that early in the century, “philanthropy” mainly resides in American school of social work and represented narrowly focused remedial efforts for social improvement. Friedman and McGarvie (2002) found that by early 1980 philanthropy institutions started to be established to occupy distinct third space between government and the private market economy. They discuss that these philanthropy institutions are often regarded as charitable organizations that act as mediating entity to help collect donations from contributors and channel them to the required parties. They also mentioned that these organizations are generally non-profit organizations which carry out various forms of activities including fund-raisings, philanthropies, religious charity giving and donations. Reis (1998) encouragingly found that 75 percent of 1997 total donations in US were contributed by individuals and he believes that this justify the growing need for researches into the area of donation intention.

Charity and the spirit of giving are deeply rooted in Malaysia. This is evident with the numerous charitable organizations that are highly dependent on donations such as old folks home, children and woman shelter, orphanages, home for the disabled, natural disaster relief as well as woman and children abused centers, cancer hospitals and many other non-profit organizations that strive for betterment of the underprivileged through charity services. General responses to fund-raising activities has been encouraging for example RM510, 097 donation raised by IC4U Charity Concert 2010 for the beneficiaries of Pusat Penjagaan Kanak-Kanak Cacat Taman Megah (PPKKCTM) to support its dire

need to buy a new home for 138 children from all races and Dignity For Children Foundation to provide quality education for the underprivileged (Khoo, 2011).

Donation drives for medical treatment to support those unable to cope with high cost of medical care too have been favorable with recent efforts from apolitical IMCA Medical Foundation raising RM500, 000 from Penang fundraising dinner to assist the poor, who are suffering from chronic ailments which can be effectively treated. The foundation has helped cases ranging from providing prosthetic limbs and hearing aides to cataract operations and major heart surgery as sometimes the waiting list for government hospitals are too long and patient needed immediate attention (Tan, 2011).

When natural disaster occurs, Malaysians come all out to donate generously as can be seen with recent efforts to donate to victims of the Japan earthquake where Malaysians from all walks of life came together in show of force to support both monetary donations and voluntary services to relieve the victims' sufferings (Sipalan, 2011). Our very own two-time All-England champion Lee Chong Wei recently organized charity fundraiser for Japan at Juara Stadium in Bukit Kiara and another at Penang Komtar Geodesic Dome to target RM1mil fund-raising for the victims (Lim, 2011). Beautiful Malaysian artist Hannah Tan even went as far as "auctioning" herself to raise RM100, 000 for Japan earthquake and tsunami victims with highest bidder got to join her for a karaoke session (Majid, 2011).

In Malaysia, charity does not confine to only individuals but widely participated by corporate organizations, religious institutions as well as non-profit organizations. Corporations in Malaysia are actively involved in charity services under Corporate Social Responsibility (CSR) initiative where organizations recognize that they have responsibilities to contribute back to the society where they operate (Premananthini, 2012; Sagar, 2012). Malaysia media corporations too played a key role in providing a powerful platform to spread information and create awareness about social events and charity needs where individuals can do a lot towards urgent charity needs or for victims of natural disasters such as tsunami, earthquakes and volcano eruptions not only in Malaysia but also in international landscape (Chan, 2011).

Malaysia is also a nation with highly diversified religious beliefs. Major religions adopted by Malaysians include Islam, Buddhism, Hinduism and Christianity which

promotes harmonious living and encourages cultivating good values like supporting humanitarian causes. Buddhists are highly keen to provide gifts in form of monetary donation or products like robe for monks to temples which they believe that in doing so, they'd accumulate meritorious deeds that strengthen their karma (Brown and Hutton, 2011). This is evident with the ability to gather and sustain considerable donations required to support maintenance of the many and big temples, for example the Kek Lok Si temple in Penang that is arguably the largest Buddhist temple complex in Southeast Asia (Tan, 2010). Department of Islamic Development Malaysia (JAKIM) published "Panduan Zakat di Malaysia" (Malaysia Zakat Guide) in the year 2001 explaining that Muslims in Malaysia are oblique to contribute "zakat" which is a done through a form of taxation mechanism coordinated by state Religious Council under the authority of Sultan or head of state. The guide also explains other voluntary contributions mechanisms in Islam including waqft (gift of land or property) and sadaqah (Spontaneous charitable gifts). Hinduism and Christianity related charity activities are also going strong in the country with religious classes and active charity programs in Hindu Temple and Churches as strong testaments (Leong, 2009).

However, despite Malaysia's deeply rooted charity giving culture, it remains puzzling that charity organizations are constantly challenged to raise required fund to provide services to the underprivileged. Halim in Malay Mail July 21, 2008 reported that some organizations resorted to use reserve funds to cope with daily expenditure whenever public donation are not sufficient, indicating that charity organizations are highly dependable on public charitable giving. Andrew provided example that during the fuel price increase in 2008, Yayasan Sunbeam Homes, a children care charity center observed that public donations dropped by 40%, causing the organization to source from reserve fund which can only last for a year to support monthly expenses of RM80, 000 required for rent, food, clothing, tuition, fee, fuel and etc.

To make the matter worse, charitable need is on a rising trend. This can be observed from Table 1.0 to Table 1.2 from Ministry of Woman, Family and Community Development which provides statistical evidence on the growing number of profiles and expenses required to support the less fortunate community. This trend is indeed very

concerning as highlighted in New Straits Times Dec 8, 2011 that some 675,000, or one out of three people, aged 60 and above are abandoned by their children.

| | | | | | | |
|-------------------|-------|--------------|-------|--------------|-------|--------------|
| Johor | 1,940 | 3,015,225.00 | 2,152 | 5,164,800.00 | 2,362 | 5,693,600.00 |
| Kedah | 1,108 | 1,081,440.00 | 1,261 | 1,786,200.00 | 1,335 | 2,377,800.00 |
| Kelantan | 2,595 | 3,214,395.00 | 2,601 | 6,159,200.00 | 3,911 | 6,628,800.00 |
| Melaka | 1,022 | 1,630,155.00 | 1,217 | 2,511,600.00 | 1,615 | 3,479,800.00 |
| Negeri Sembilan | 1,273 | 2,060,640.00 | 1,591 | 3,383,800.00 | 1,663 | 3,412,500.00 |
| Pahang | 1,804 | 2,960,595.00 | 1,929 | 4,341,400.00 | 2,145 | 4,483,200.00 |
| Perak | 895 | 1,557,395.00 | 1,039 | 2,031,400.00 | 1,325 | 2,688,600.00 |
| Perlis | 352 | 517,995.00 | 358 | 822,600.00 | 392 | 940,800.00 |
| Pulau Pinang | 1,253 | 1,936,170.00 | 1,364 | 3,189,000.00 | 1,966 | 4,110,400.00 |
| Sabah | 4,454 | 4,357,800.00 | 4,621 | 4,911,600.00 | 3,865 | 4,755,090.00 |
| Sarawak | 2,945 | 3,637,700.00 | 3,185 | 3,755,000.00 | 2,396 | 2,983,100.00 |
| Selangor | 1,783 | 2,891,700.00 | 1,845 | 4,800,400.00 | 2,159 | 4,098,600.00 |
| Terengganu | 699 | 1,148,745.00 | 652 | 1,356,000.00 | 654 | 1,545,400.00 |
| W.P. Kuala Lumpur | 1,089 | 1,275,880.00 | 1,683 | 3,100,000.00 | 1,824 | 4,377,600.00 |
| W.P. Labuan | 34 | 56,970.00 | 26 | 56,400.00 | 24 | 57,600.00 |

Table 1.0. *Number of Elderly Care Assistance and Total Sum (RM), 2005-07*

Source: Ministry of Woman, Family and Community Development

| | | | | | | | | | |
|-------------------|----|----|-----------|----|----|-----------|----|----|-----------|
| Johor | 53 | 7 | 60 | 27 | 36 | 63 | 21 | 71 | 92 |
| Kedah | 3 | 9 | 12 | 5 | 3 | 8 | 1 | 4 | 5 |
| Kelantan | 0 | 13 | 13 | 1 | 23 | 24 | 8 | 20 | 28 |
| Melaka | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7 | 7 |
| Negeri Sembilan | 0 | 2 | 2 | 9 | 4 | 13 | 2 | 36 | 38 |
| Pahang | 1 | 9 | 10 | 17 | 38 | 55 | 18 | 47 | 65 |
| Perak | 14 | 17 | 31 | 4 | 15 | 19 | 4 | 30 | 34 |
| Perlis | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Pulau Pinang | 11 | 20 | 31 | 23 | 45 | 68 | 8 | 39 | 47 |
| Sabah | 0 | 0 | 0 | 0 | 0 | 0 | 23 | 10 | 33 |
| Sarawak | 0 | 11 | 11 | 0 | 6 | 6 | 12 | 9 | 21 |
| Selangor | 17 | 41 | 58 | 17 | 29 | 46 | 22 | 64 | 86 |
| Terengganu | 22 | 22 | 44 | 15 | 43 | 58 | 6 | 20 | 26 |
| W.P. Kuala Lumpur | 0 | 0 | 0 | 7 | 16 | 23 | 6 | 13 | 19 |
| W.P. Labuan | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |

Table 1.1. *Number of Child Care Assistance and Rehabilitation, 2005-07*

Source: Ministry of Woman, Family and Community Development

| | | | | | | |
|-------------------|-----|------------|-----|------------|-----|------------|
| Johor | 74 | 123,038.00 | 160 | 203,370.00 | 83 | 152,631.00 |
| Kedah | 131 | 120,233.00 | 196 | 151,694.00 | 58 | 76,917.00 |
| Kelantan | 283 | 81,510.00 | 59 | 52,975.00 | 90 | 40,000.00 |
| Melaka | 58 | 184,970.50 | 131 | 226,184.00 | 109 | 346,454.00 |
| Negeri Sembilan | 62 | 84,201.00 | 54 | 61,260.00 | 73 | 53,703.00 |
| Pahang | 97 | 106,565.00 | 97 | 97,820.00 | 42 | 37,090.00 |
| Perak | 138 | 132,812.00 | 139 | 139,324.00 | 52 | 57,282.00 |
| Perlis | 73 | 28,982.00 | 32 | 14,400.00 | 22 | 11,223.00 |
| Pulau Pinang | 93 | 57,820.00 | 57 | 79,346.00 | 55 | 103,730.00 |
| Sabah | 60 | 59,489.00 | 178 | 255,775.00 | 75 | 120,215.00 |
| Sarawak | 44 | 73,850.00 | 50 | 121,805.00 | 69 | 181,105.00 |
| Selangor | 197 | 306,798.00 | 171 | 80,265.00 | 219 | 434,008.00 |
| Terengganu | 36 | 39,428.00 | 80 | 148,341.00 | 51 | 111,435.00 |
| W.P. Kuala Lumpur | 216 | 666,450.00 | 233 | 723,530.00 | 161 | 574,677.00 |
| W.P. Labuan | 10 | 11,225.00 | 0 | 0.00 | 7 | 32,670.00 |

Table 1.2. *Number of Cases Supports for Persons with Disabilities, 2005-07*

Source: Ministry of Woman, Family and Community Development

In short, the above phenomenon has highlighted a troubling issue where charity organizations are constantly in need of donations despite deeply rooted charity giving culture in Malaysia. If this situation is left unresolved, charitable organization sustainability would be risked and ultimately the well-being of underprivileged community under their care will also be affected.

1.3 Problem Statement

The continuous survival of charity organizations has been challenged with increasing demand for their services as well as diminishing government supports, making public charity giving a critical factor for sustainability of charity organizations (Sargeant, Lee, and Jay, 2002). An assessment made through Malaysian non-profit based charity website, www.hati.org.my indicates that charitable organizations' operational cost is high and comes from public donations e.g. Silver Jubilee Home for the Aged (RM100K per month), EDEN Handicap Service Centre (RM70K per month) and Shan Children's Home (RM8K per month).

What seems puzzling is that charity organizations continue to struggle for donation despite deeply rooted charity giving culture in Malaysia. Operators of charitable organizations are neither professional fundraiser nor are they marketers that are able to run effective and efficient fundraisings. This has led to charity organizations either launching their own crude fundraising or soliciting services from professionals. There are

plentiful of professional fundraisers that has managed to make themselves essential to charity organizations, nonetheless such associations are unhealthy according to Datuk Lee Kah Choon, parliamentary secretary of Health Ministry. (Foong and Ng, 2007). Foong and Ng (2007) reported that this is due to the fact that fees charged by these professionals heavily are exorbitant which can be as high as 50-70% of total donation raised. What this simply means is that when a charity organization needed RM10K per month for example, the agreement with professional fundraiser would instead be to raise RM20K. In fact, this scenario is not unique to Malaysia but a general issue where even in United States, it was reported that more than 115,000 charity organizations paid a total of 2 billion dollars every year to professional fundraisers (Kelly, 1998). More recently, New York Attorney General reported that 77% of charities that solicit Telemarketing fundraisers only managed to retain less than half of the amount raised (Schneiderman, 2011).

Despite significance of this issue, the author did not find clear studies in Malaysia to help better understand indicators to public donation intention. In fact, it was surprising to find that Theory of Planned Behavior (Ajzen, 1985) which is a broadly utilized intention-behavior model (Conner and Armitage, 1998) has not been actively applied into area of charitable donation (Bartolini, 2005). Bartolini (2005) found that although TOPB has been utilized in numerous aspects of pro-social intention and behavior prediction such as volunteering (Okun and Sloane, 2002; Warburton and Terry, 2000), giving blood (Giles and Cairns, 1995) and organ donation (Kopfman and Smith, 1996) the theory has not been actively applied to the charitable donation. This observation is supported by van der Linden (2011) who found that only of late, Smith and McSweeney (2007) applied TOPB to analyze monetary donation intention. Thus, this study warrants being undertaken to study donors' cognitive process to charitable giving from perspective of TOPB. Ajzen (1991) made note that Theory of Planned Behavior is, in principle, open to the inclusion of additional predictors if it can be shown that they capture a significant proportion of the variance in intention. Therefore, this study leverages on Bekkers and Wiepking (2007)'s extensive literature review of over 500 charity giving researches to extend TOPB model to cover key donation indicator including trust, problem awareness, egoism and relationship.

1.4 Research Objectives

This study attempts to accomplish three main objectives as follows:

- (1) To understand indicators of public donation intention in Penang; a location different in many aspects from UK and US where most of charity related researches has been conducted
- (2) To examine whether there is a relationship between components of Theory of Planned Behavior (attitude, perceived behavioral control, subjective norm) with intentions to donate money; a research area which has yet to be actively explored (Bartolini, 2005; van der Linden 2011)
- (3) To examine whether there is a relationship between extended components (trust, problem awareness, egoism, relationship) with intentions to donate money based on extensive literature review of over 500 charity related researches by Bekkers and Wiepking (2007)

1.5 Research Question

Following are the research questions in order to accomplish above objectives:

- (a) What are the indicators of public donation intention in Penang?
- (b) What is the relationship between attitude of donors and their intention to donate?
- (c) What is the relationship between perceived behavioral control of donors and their intention to donate?
- (d) What is the relationship between subjective norm of donors and their intention to donate?
- (e) What is the relationship between trust of donors and their intention to donate?
- (f) What is the relationship between problem awareness of donors and their intention to donate?
- (g) What is the relationship between egoism of donors and their intention to donate?
- (h) Does relationship between charity organization and donors influence their intention to donate?

1.6 Definition of Key Terms

(1) Behavioral intention

The extent to which an individual intends to perform a specific behavior (Ajzen, 1991)

(2) Attitude

The extent to which an individual intends to perform a specific behavior (Ajzen, 1985)

(3) Perceived Behavioral Control

The extent to which individuals believe that they are able to perform the behavior (Ajzen, 1985)

(4) Subjective Norm

The extent to which individuals think that significant others want them to engage in the behavior (Ajzen, 1985)

(5) Trust

A state of mind that enables its possessor to be willing to make herself vulnerable to another—that is, to rely on another despite a positive risk that the other will act in a way that can harm the truster (Hill and O'Hara, 2005)

(6) Problem Awareness

The extent to which people understand, acknowledge and value the collective environmental problems and risks, and feel responsibility for the problems (Steg, 2003)

(7) Egoism

A motivational state with the ultimate goal of increasing one's own welfare (Batson, 1991)

1.7 Significance of the Study

In regards to academic value, this study contributes to charitable giving literature and Theory of Planned Behavior (TOPB). TOPB predicts that people take into account their attitude toward a behavior, subjective norms related to engaging that behavior and perceived behavioral control before forming intention to engage in the behavior and actually carrying out the behavior (Ajzen, 1985). Bartolini (2005) and van der Linden (2011) found that the theory has not been actively applied to the charitable donation. Therefore, this study provides significance to enrich TOPB research into area of charitable donation while extending the theory to consider indicators of charitable donation including trust, problem awareness, egoism and relationship as guided by Bekkers and Wiepking (2007) through their extensive review of over 500 researches.

In regards to practical value, this study provides empirically tested results regarding public donation intention that would be useful to charity organizations, government and private sectors. To charity organization and private sector CSR programs, the study helps surface critical factors to be focused to improve effectiveness and efficiency of charity fundraising. To the government, this study provides better insight into donation intention to facilitate development of policies (e.g. education, awareness programs, and regulation) that encourages public donations.

1.8 Organization of the Remaining Chapters

This research is presented in five chapters beginning with this Chapter 1 that provided general introduction and overview of the study. Foundation that shapes theoretical framework of this research is further discussed through literature review in Chapter 2. Chapter 3 details out research design considerations including measured variables, sample characteristics and data analysis procedures. Chapter 4 provides description and analysis on data collected as well as the processed results from SPSS statistical tool. Finally, the last chapter, Chapter 5 discusses and synthesizes overall findings and provides conclusion to this study as well as providing suggestion for future research.

Chapter 2

LITERATURE REVIEW

2.1 Introduction

This chapter focuses on discussing past literatures that is related to charity and behavior intention researches including overview of literature on donation indicators, intention models and the underlying theories. These literature reviews facilitate development of theoretical framework and formation of hypotheses for this research that are duly discussed in the later part of the chapter.

2.2 Review of the Literature

Charles Darwin in his 1859 Theory of Natural Selection and biological observations discuss that in a stable population, each member struggles to survive where only those with better condition to suit the environment will be more likely to survive (Coyne, 2009). This theory has further evolved to the idea of Social Darwinism by a 19th century philosopher, Herbert Spencer whom applied the theory to social, political, and economic landscapes (Leonard, 2009). Leonard discussed that in its simplest form, Social Darwinism advocates that through natural selection, the strong survive and the weak perish. However, Social Darwinism hardly made sense in the context of social welfare where charity giving is deeply rooted in our civilized society today to the extent that an extremely remarkable sum of USD 291 billion dollars was donated to American charitable organizations in 2010 alone according to American Association of Fundraising Counsel (2011). Why would public be willing to donate their hard earned money to charity?

To understand this, charity giving phenomenon has been explored considerably across interdisciplinary areas including marketing, social psychology, economic sociology, economics and sociology (Hladka, 2009). Jas (2000) provided his perspective to explain this puzzling phenomenon. He argues that people can gain from charity giving,